

each stock from the top of the list is compared with the market capitalization cut-off value to determine whether the stock is acceptable for placement into the portfolio, up to a maximum number of stocks, such as 10 in the disclosed embodiment.

In contrast, O'Shaughnessy discloses a method for carrying a computerized selection of stocks wherein stocks are selected from a stock database by screening stocks for market capitalization, then for stocks having a higher number of outstanding shares than the average in the database, then for stocks having sales of 1.5 times the mean sales in the database, and then for stocks not in the utilities sector. See col. 13, l. 55 - col. 14, l. 67. The remaining stocks are sorted by dividend yield and the results displayed to a user to select stocks to purchase. O'Shaughnessy simply fails to disclose or anywhere suggest a method or system as set forth in claims 1-9 of the present application.

The Examiner alleges that O'Shaughnessy "do show this step on col. 11, line 18 - col. 12, line 67." This assertion is incorrect. The section of the O'Shaughnessy reference cited by the Examiner is a portion of the "SUMMARY OF THE INVENTION" section of the reference providing a generalized summary of the disclosure subsequently provided in detail in the "DESCRIPTION OF A PREFERRED EMBODIMENT" section. That is, O'Shaughnessy's summary of the invention summarizes the specific steps later disclosed in detail in the detailed description of the preferred embodiments. Because the language of the summary of the invention is typically broader than the detailed description of the invention and subject to interpretation, it is improper to rely on the summary of the invention in lieu of the detailed description of the actual method, in attempting to demonstrate anticipation of a claim under 35 U.S.C. § 102. To the contrary, such reliance on general summarization language while failing to show where all of the claimed limitations are found in the detailed disclosure is an indication that the prior art does not in fact disclose the claimed invention.

The Examiner's allegation is incorrect because O'Shaughnessy clearly does not disclose at col. 11, line 18 to col. 12, line 67 each of the steps recited in claim 1. A disclosure of "selecting stocks of companies with database records indicating 'market capitalization in excess of a desired capital amount'" as alleged in the Office action

does not establish that O'Shaughnessy anticipates claim 1 under 35 U.S.C. § 102, because anticipation requires that each and every limitation of the claim be disclosed in a prior art reference in the same manner and configuration as set forth in the claim.

Claim 1 does not simply recite "selecting stocks of companies with database records indicating 'market capitalization in excess of a desired capital amount.'" Instead, claim 1 requires the steps of sorting the index list by market capitalization, selecting the lowest market capitalization among a predetermined number of stocks in the sorted list as a predetermined value below which a stock will be rejected for inclusion in the portfolio, and then sorting the list by sales and comparing each successive stock having the highest sales in the list with the predetermined value to determine stocks that are acceptable for inclusion in the portfolio, up to a maximum number of stocks.

O'Shaughnessy does not disclose these steps. Instead, O'Shaughnessy discloses that a list is created by screening the database for stocks having a minimum market capitalization. Thus, all stocks meeting the capitalization criterion are written to a file. From that file, stocks having higher than average number of outstanding shares are selected, and written to a second file. From the second file, stocks having sales 1.5 times the means sales in the database are selected and written to a third file. From the third file, stocks are selected which are not utilities, and the selected stocks written to a fourth file. The stocks in the fourth file are then sorted according to dividend yield. See col. 13, l. 55 - col. 14, l. 67 (which is part of the detailed description of O'Shaughnessy's preferred embodiment). If the Examiner persists in this ground of rejection, he is requested to cite to specific portions of the detailed description of the O'Shaughnessy reference to demonstrate where the steps of claim 1 are allegedly disclosed.

Second, it is noted that the stock **database** of O'Shaughnessy is not a stock **index** as set forth in the claims of the application. The stock database is simply a database of active stocks, such as Value Line, S&P Compustat, or AAll Stockpac. The database of O'Shaughnessy is similar to the database of the present invention, which is accessed to determine the composition of a stock index, and for each stock in the index, to retrieve data relevant to the stock.

The S&P Compustat Database used by O'Shaughnessy, which is a stock database containing data pertaining to all currently existing stocks, is not a broad based stock index as disclosed and claimed in the application. O'Shaughnessy discloses at col. 13, ll. 55-60 that the stock database may be any commonly used database, such as Morningstar or the S&P Compustat Database. These databases are databases of all stocks in existence, and in no way can be characterized as broad based stock indexes, as disclosed and claimed in the present application.

The Examiner alleges that the term "broad based" (in reference to the claim limitation "broad based stock index") is a relative term. However, the term "index" is not a relative term. As acknowledged by the Examiner, an index is commonly understood to be a predetermined subgroup of stocks whose market movements are designed to reflect the movement of the entire market as a whole. The Examiner has mistaken the S&P 500, which undisputedly is a stock index, with the S&P Compustat DataBase referred to by O'Shaughnessy. The S&P Compustat DataBase is **not** a stock index, whether broad based, narrow based or otherwise. As clearly stated at page 4 of Applicants' previous response, the S&P Compustat DataBase is a database of **all** stocks in existence, and therefore is not a "group of stocks that consists of an index of different stocks designed to reflect the movement of the entire market," as defined in the Office action. O'Shaughnessy fails to so much as allude to the S&P 500 index, and as such the Examiner's position is in error.

In view of the foregoing, applicants again emphatically submit that O'Shaughnessy fails to disclose or suggest the method and system for creating a stock portfolio as disclosed and claimed in the present application.

With respect to claims 3, 6 and 9, the Examiner alleges that "choosing capitalization weighted indices, in creating a stock portfolio, is an old and well-established business practice and different indices can be used alternatively," relying on Bloom et al.

Bloom et al., however, simply discloses a computer system and method for rebalancing a capitalization-weighted stock index to prevent significant concentration in the capitalization weight of a few highly capitalized stocks from dominating the overall performance of the index. For example, the index to which Bloom is directed may be the NASDAQ-100 Index. However, applicants do not claim to have invented the

NASDAQ-100 Index. That such index is known in the art *per se*, as disclosed by Bloom, does not render use of such index in the O'Shaughnessy method obvious, nor does any combination of Bloom with O'Shaughnessy render the claimed invention obvious. Specifically, Bloom pertains to a method for ensuring that a stock index accurately reflects the movement of whatever market sector is desired to be reflected by that index. Bloom neither discloses nor suggests any **use** of a stock index at all, much less use of a stock index in the creation of a stock portfolio as disclosed by O'Shaughnessy.

In view of the foregoing, further and favorable reconsideration of this application and the issuance of a Notice of Allowance are earnestly solicited.

Please charge any fee or credit any overpayment pursuant to 37 CFR 1.16 or 1.17 to Deposit Account No. 02-2135.

RESPECTFULLY SUBMITTED,					
NAME AND REG. NUMBER	Vincent M. DeLuca Attorney for Applicants Registration No. 32,408				
SIGNATURE	Vincent M DeLuca		DATE	29 APR 02	
Address	Rothwell, Figg, Ernst & Manbeck Suite 800, 1425 K Street, N.W.				
City	Washington	State	D.C.	Zip Code	20005
Country	U.S.A.	Telephone	202-783-6040	Fax	202-783-6031